

W. D. Doe.
Ont.
L.

Ontario. Labour, Dept. a-

CA2ΦNL
-29573

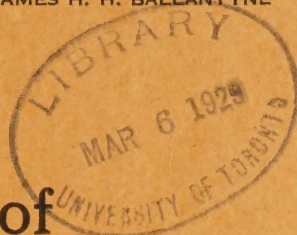


ONTARIO

(DEPARTMENT OF LABOUR)

MINISTER
THE HON. DR. FORBES GODFREY

DEPUTY MINISTER
JAMES H. H. BALLANTYNE



Survey of
Industrial Welfare
in Ontario

TORONTO

1929

CA20NL

-29573



ONTARIO

DEPARTMENT OF LABOUR

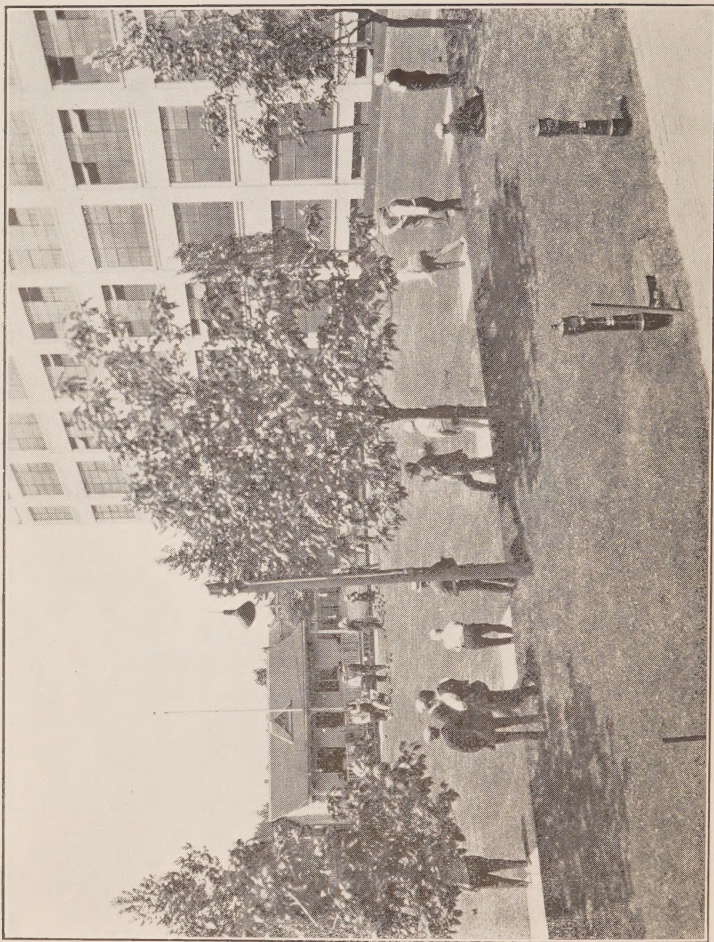
MINISTER
THE HON. DR. FORBES GODFREY

DEPUTY MINISTER
JAMES H. H. BALLANTYNE

Survey of Industrial Welfare in Ontario

TORONTO

1929



Modern Equipment for Industry and Pleasure

INTRODUCTION

"All attempts to urge men forward, even in the right path, beyond the measure of their light, are impracticable; augment their light, conciliate their affections, and they will follow of their own accord."

* * *

In every phase of human endeavour and activity tremendous progress is being accomplished. Feats of engineering which half a century ago would be regarded as almost impossible are accomplished to-day with comparative ease. Research in chemistry and electricity has produced astonishing results and it is no exaggeration to state that many of their wonders are as yet undiscovered. Medical science and skill in promoting health and combating disease have largely offset the intensive strain of modern conditions by adding greater longevity to our lives. Not less remarkable is the wonderful development that has taken place in industry itself and the powerful influence for change it has exercised on the customs and habits of our people and on the social and political institutions of this and other countries.

Many years ago a celebrated writer mourned the passing of an age in which the relationship of master and servant appeared to him to be more harmonious and congenial than the condition between employer and employee which he termed the "cash nexus." Until a few years ago the contract of service between employer and employee was almost exclusively founded on the "cash nexus." Buying in the cheapest market and selling in the dearest one, in the matter of wages, was carried on without practically any modification. It was inevitable that a better estimate of values, especially human values, should be forthcoming.

To-day the onward march of industrial progress is best symbolized by employers and employees working together for the stability of industry, security of employment and the good and development of their country. Security of employment for workers who are able and willing to maintain their obligations as good citizens, in my opinion, is the greatest accomplishment that modern industry can achieve. Many excellent schemes have been formulated and are practised by different firms in order to promote an achievement of this character.

This Province is renowned, and justly so, for the many beneficent forms of labour legislation that are incorporated in its Statutes but little is known, apart from wages paid, of the various influences at work to promote co-operation between employer and employee and harmony in industry. In order to find out what was being done by

employers for their employees in matters of social interest and welfare, a survey was conducted by this Department among three hundred of the largest firms in Ontario. In collaboration with the writer this survey was planned by Miss Marion Findlay, B.A., a member of our staff, and this Department is glad to acknowledge her ability, tact and general good judgment in securing from employers and employees alike the most salient factors in connection with social and welfare work in industry and in classifying and preparing for publication the material received.

Information was sought on subjects pertaining to accident prevention; health measures, including medical and nursing service; lunch rooms and cafeterias; forms of recreation engaged in by employees under the auspices of employers; holidays, with or without pay; plant publications; representation of employees in industry through joint councils or shop committees; bonus and insurance plans; pensions, annuities, savings and profit-sharing systems; sale of stock to employees; number of male and female employees with the firms to whom questionnaires were sent; hours of labour wrought and such other schemes of welfare as may be detailed by employers. While no attempt has been made to cover all firms, the three hundred providing material for this résumé are fairly representative of the manufacturing industries, public utilities and department stores and are situated in all parts of the Province in both large and small centres. The employees in these firms numbered 185,187 and twenty-three per cent., or 42,813 were female workers.

The information that is contained in the pages of this pamphlet, while confined to the number of firms who reported to the Department, is nevertheless a reliable criterion of what is being done in industry to promote higher standards of industrial relations between employers and employees in Ontario. To employers and employees concerned, this Department extends its thanks for the information given and the spirit of co-operation displayed.

Many persons in Ontario will be interested to know what is being done in certain industries for the welfare of employees, and it is hoped that firms who may not have deemed it advisable to promote such systems of welfare for their employees will be encouraged to keep in touch with this important phase of industrial development and goodwill and do whatever is possible and practical to promote the welfare of their employees, the security of their industry and the development of their country.

The Honourable Dr. Forbes Godfrey has taken a very deep interest in all matters associated with this investigation and his approval to have the results of the survey printed for the purposes of distribution is acknowledged appreciatively.

JAS. H. H. BALLANTYNE,
Deputy Minister of Labour.

CONTENTS

	PAGES
Physical Welfare	7-20
Accident Prevention	7
Health	9
Cafeteria	13
Recreation	14
Holidays with Pay	16
Plant Publications	18
Joint Councils and Shop Committees	18
Financial Welfare	21-33
Insurance, Sickness and Disability	21
Insurance, Group	25
Pensions and Annuities	26
Bonus and Profit Sharing	29
Savings Plans	30
Sale of Stock to Employees	31
Other Plans	33
Hours of Labour	35
Appendix	35
Table of Industrial Groups Represented	35
Table of Firms Reporting on Various Items	36
Table of Firms in Each Industrial Group Reporting on Various Items	37



THE HONOURABLE FORBES GODFREY, M.D.,
L.R.C.P.&S. (Edin.), L.F.P.&S. (Glasgow)
Minister of Health and Labour

INDUSTRIAL WELFARE

In collecting from firms the data embodied in this report a definite effort was made to have them refer to wage-earners only. This was not always possible and in a few instances salaried workers of necessity have been included. The proportion of these, however, is relatively small and should not affect greatly the general conclusions. In the case of one firm employing approximately 6,000 at different centres throughout Canada, the number for Ontario alone could not be obtained without considerable labour on the part of the head office. The Canadian total is used therefore and includes employees on salary as well as wage-earners. In certain cases two or more firms, entered separately, are branches of the one company or individual firms are Canadian subsidiaries of American companies and thus benefit by welfare schemes, the financing of which is more possible in a large organization.

It has not been the intention in a general review of this nature to analyze and classify exhaustively each item or any item of the various welfare schemes nor does the Department undertake to advise the adoption of all or any of the schemes. The purpose of this survey is rather to indicate the extent to which the problem of industrial welfare work has been receiving the attention of employers, and it is possible that many who are responsible in some degree for the gratifying growth of industry in the Province may be interested in such an outline of developments in these firms in their efforts to improve industrial relationships.

Details as to industrial groups represented by these 300 firms, the number of firms reporting on each item, with the number of employees affected, and the distribution among the industrial groups of the firms reporting on the various items are to be found in the tables appended.

Accident Prevention

The importance of the prevention of industrial accidents in any programme of improved management is being more generally appreciated, and each year more effective work is being done in many firms in Ontario along the lines of preventive measures. Expert mechanical knowledge is being brought to bear more and more in the equipment of dangerous machinery with the most adequate safeguards. Closer attention is being given the lighting and ventilation of plants as factors in safety, to good housekeeping methods and to the education of every employee in the necessity for safe methods and constant precaution. This last item is perhaps the most important on any safety programme. The Workmen's Compensation Act of Ontario places compensation costs in case of industrial accidents as a charge upon industry. There is, therefore, an economic as well as an humanitarian motive in such preventive activities since it behooves

employers in their own interests to reduce their liability under the Act as far as possible.

In some plants it is customary to lay the responsibility of accident prevention upon the foreman of each department. The foremen of the plant meet periodically, sometimes daily, with the superintendent and other members of the management to discuss all matters pertaining to safety work.

The practice of various kinds of safety contests and races is common as a means of stimulating an interest and educating employees to the desirability of care at all times. These races may be among the different departments, different firms in the district or firms in the same industry, and daily, weekly or monthly results are posted in a conspicuous manner in the plant and awards are made to the winners at the end of the year. Many of the firms work in close co-operation with the Industrial Accident Prevention Association, the Ontario Safety League and the Factory Inspection Branch of the Department of Labour, and bulletins, posters, printed signs and warnings of dangers to be avoided are employed as means of impressing the minds of employees.

In many larger firms a safety department with a safety supervisor in charge gives undivided attention to this matter or some official such as the supervisor of personnel or of industrial relations or the secretary of the employees' service department acts in this capacity. One system that has proved effective in several plants of two to three thousand men is a safety committee of ten or twelve men in each department active in the interest of accident prevention, meeting weekly or monthly for consultation and recommendations. The chairman of each of these sub-committees is a member of a main safety committee of which the safety supervisor is chairman. It also meets weekly or monthly and considers the minutes of the various sub-committees as well as other matters and its recommendations are usually acted upon by the management. By changing the men on the sub-committee in rotation, a certain number every two or three months, keener interest is sustained and a better understanding of safety work is spread through each department. In firms where joint councils function, each elected member usually acts on the safety committee at some time during the year. Thorough inspection of every department is made at frequent intervals and comparative data concerning accident frequency and severity and the relation of money cost of accidents to the cost of prevention are kept posted throughout the plant. A close follow-up of all accidents is maintained in order to profit by a discovery of wrong conditions or material, machinery or equipment and wrong practices of workmen and to anticipate further accidents as far as possible.

In individual plants where the work is of a more hazardous nature, a safety meeting lasting one or two days is held each year by the safety committee for employees in order to bring safety more closely

to their attention. Large electric signs or other means of display advertising are used to show to the public the number of consecutive days a plant has run with no accidents or a flag is hoisted on all the non-accident days.

Another feature of the programme to reduce time loss due to accidents which has been receiving closer attention in recent years and for which still greater efforts should be put forth is the training of employees to seek first-aid attention for minor accidents, especially cuts and abrasions, because it is the simple injuries due to ordinary causes that most often become infected and prove very expensive. The report for 1927 of the Workmen's Compensation Board of Ontario states that 21 deaths and 38 permanent disabilities, nine of which were amputations, were due to infection of injuries in compensation cases. Greater care, too, is being given the matter of employment, which has an important bearing on the work of accident prevention. More and more, only men who are physically and mentally fit are being put on jobs to which danger is attached and sight tests are being applied to ensure that no one is exposed to danger through defective vision. Provision is being made by many firms for classes in first aid under the instruction of a doctor and employees are encouraged to complete the course of instruction of the St. John Ambulance Association. In a few instances these classes are held in the firm's time twice a week though more often they are after working hours.

Many reports have been received from firms of a decided improvement in accident experience; a decrease of 90 per cent. in time loss, of 57 per cent. in the number of accidents, an improvement in accident prevention work until it is now considered almost 100 per cent. or until plant has risen from among the lowest to one of the best in the classification or the plant attained first place in group.

Health

Closely allied with the work of accident prevention is that of care in case of accident and of the general health condition in plants. Practically all plants covered by this inquiry come under the jurisdiction of the Workmen's Compensation Act and are meeting the requirements under that Act and regulations in the provision of first-aid kits, first-aid rooms, etc. Many firms go much further than these requirements in their hospital accommodation, provision of nurses for plant duty and visiting and of the services of doctors for general health purposes as well as in case of emergency.

According to regulation 88 of the Workmen's Compensation Act:

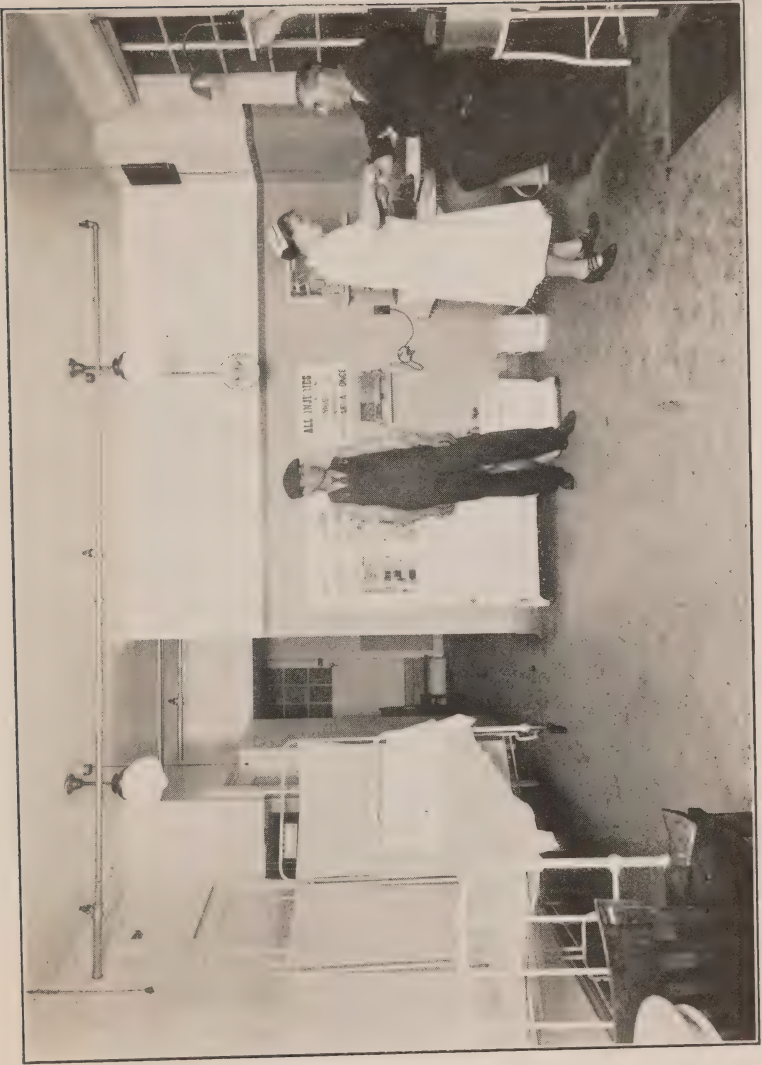
(1) "Every employer having more than fifteen and less than 300 workmen usually employed shall provide and maintain in his factory or place of employment, or in each factory or place of employment if he has more than one, a first-aid kit or box containing the following supplies with such additional quantities as may be reasonably neces-

sary to provide first aid to his injured workmen, and shall have the same in charge of some suitable person"; and a list of instruments, drugs and dressings necessary for a minimum first-aid kit is given.

(2) "Every employer having 300 or more workmen usually employed shall provide and maintain as convenient as possible to his factory or plant an emergency first-aid room which shall be painted white and kept absolutely sanitary at all times. This shall be in charge of a clerk, workman, nurse, or other person who has taken a recognized course of study in 'First Aid to the Injured,' and shall be provided with the following equipment and supplies in such quantities as may be reasonably necessary to provide first aid to workmen"; then follows an outline of furnishings, instruments, drugs and dressings for the equipment of a first-aid room.

Two or three rooms are often given over for first aid or hospital purposes and several cots are provided to take care of temporary sickness as well as accidents. A graduate nurse is usually in charge of such increased accommodation and seventy-three firms reported that they retained the services of one, and in a few cases more than one, graduate nurse, while eighteen firms have special first-aid attendants. The nurse may be engaged the whole time in the dispensary with dressings, consultations and records, or a part of the day may be spent in visiting absentees, giving aid where necessary, and when more than one nurse is employed special attention is given this phase of health service. A car is frequently provided by the firm for the use of the visiting nurse. In this connection one firm reports: "We have in our constant employ a nurse of exceptionally wide experience who visits each employee after one and a half days of absence and offers such advice and actual service as is acceptable. Her visitations occupy the entire morning and the latter half of the afternoon; the early part of the afternoon being given over to consultation. Through her helpfulness and because she inspires great confidence, we have been able to discover and correct innumerable chronic ailments of the teeth, tonsils, etc., as well as more serious diseases of the lungs, stomach, etc. The nurse has developed very close working arrangements with the various clinics at the hospitals and is thereby enabled to be of incalculable assistance to our employees and members of their immediate family. We take the view that the worker himself would not be efficient if he brings to his work the knowledge that his wife or his children are suffering." This gives a pretty fair idea of the scope of the industrial nurse.

On the other hand the nurses in some plants are on duty the whole day in the plant and do not visit employees away sick. Absenteeism is checked up by the employment or personnel department. In some plants nursing service in the homes is provided by the insurance company under the terms of the policy by which the employees are insured. In one case, three firms in the same district employ one nurse



"All Injuries Must Be Reported to First Aid at Once"

among them who is on duty at each plant for a part of every day and visits the sick as often as possible. These firms also share in an ambulance since the local hospital is at some distance from their plants.

In individual cases where the plant is the centre of the community, a hospital is maintained by the company with a staff of resident doctors and nurses. Some of these hospitals must of necessity be reserved for the care of employees only, while others are able to accommodate employees' families as well. Reporting on the company hospital, one firm writes: "The company has a twenty-five-bed hospital which is considered one of the finest and best equipped of its size in Ontario. It is in charge of a doctor and two assistants with a staff of nurses who are employed by the company. All employees contribute 90 cents per month for medical fees; this entitles them to free medical and hospital attendance in case of sickness. A substantial deficit is absorbed by the company." It is not an uncommon practice for a firm to endow a cot in the local hospital for the use of the employees without charge and which may be used by members of their immediate families when available. One firm has a hospital fund to which employees contribute one dollar per year and which provides hospital care for the sick when necessary up to eight weeks in any year.

In addition to the firms which have doctors on call in case of accidents or sudden illness, several of the larger ones have doctors engaged on salary to give their full time to health matters among the employees and many have doctors on duty in the dispensary for stated hours every day or several times a week. In addition to the surgical work in connection with accidents a great service may be rendered in the field of preventive medicine. Before being employed and annually or twice annually thereafter workers in a number of firms are given a medical examination, the purpose of which is not to prevent the employment of all who are not perfect specimens but to arrange employment under conditions suited to their physical constitutions. Any ailments discovered are prescribed for and employees are protected from the possibility of work for which they are unfitted and which might result in more serious disability or possibly accidents. In case of serious defects of the eyes or teeth, employees are usually referred to an oculist or dentist and by arrangement with the firm fees for this service are paid by degrees. In a few instances firms have dental clinics and one has equipment for x-ray work. A special tuberculosis programme has been instituted by one firm whereby such arrangements are made by a committee as seem in its judgment satisfactory to take care of each case and assist the employee to combat the disease successfully.

The industrial dispensary with a graduate nurse or doctor in charge may become a centre of education in matters of hygiene in all its branches and that physical fitness which is essential to efficiency in work may be greatly increased with a beneficial effect on production.

Cafeteria

Eighty-nine of the 300 firms, employing approximately 50 per cent. of the workers, reported having a cafeteria at which might be obtained a hot full-course dinner practically at cost, and twenty other firms report lunch rooms where tea, coffee and milk are served free or at a nominal charge. In the smaller industrial centres where the great majority of workers live near enough the plant to go home for the mid-day meal the provision of a cafeteria is unnecessary, and in certain sections of the larger centres plants report that adequate provision is made by independent restaurants which are willing to cater to the needs of their workers. In such cases it is felt that employees appreciate the freedom of choice in making their arrangements and that the necessity of going out-of-doors even for a short time is beneficial.



Attractive Surroundings, Plenty of Good Food, Fresh Air and Sunlight

In large plants where continuous operations are carried on, the cafeteria usually operates twenty-four hours. In estimating the charges to be made in cafeterias many firms consider the cost of food as the only item to be covered by receipts, while others include service, equipment, upkeep, etc. In practically no case does the management aim to operate the cafeteria at a profit, and should a profit accrue it is usually applied in some manner for the benefit of

employees. Deficits up to several thousand dollars annually are being met by some firms in connection with their cafeterias but even in such cases the opinion is that the cafeteria is an asset of considerable value in its contribution to the welfare of employees. The cost to employees for a hot dinner varies from 17 to 35 cents, and food and drink to supplement the home lunch are usually procurable at a low price.

One firm prides itself on having the finest industrial cafeteria in Canada; a few have graduate dietitians of long experience in charge and feel that no firm surpasses them in the care and scientific knowledge brought to bear in the matter of food values and balanced diets. In another firm two dining-rooms are operated where dinner is served, not cafeteria style, free to female workers and for a charge of ten cents to male workers. In individual cases vendors go through the plant in the middle of the morning and afternoon with sandwiches, chocolate bars, bottles of milk and other drinks, or workers are allowed fifteen minutes twice daily to go to the cafeteria to get such refreshment and the result is said to be most beneficial as regards the relief of fatigue.

Recreation

Approximately 41 per cent. of these firms in which are employed three-quarters of the workers make some provision for the recreation of their employees. The majority have athletic associations or recreation clubs with membership fees, and the firms often make an annual contribution to the funds or undertake the responsibility of equipment or of any deficit which may occur. Teams are usually formed for various sports and inter-department and league games played through the season. The executive of the athletic club often acts as a social committee, arranging for entertainments or dances at regular intervals throughout the year and for the annual picnic.

In many firms where numbers of young people are employed, dancing in the noon hour during the winter is encouraged and a piano or victrola is supplied in the cafeteria, lunch room or recreation room. It is common practice to have weekly or monthly dances or parties for employees arranged by the recreation committee and special occasions when friends may be invited. Employees' orchestras are sometimes organized which provide music at the noon hour in the cafeteria or for dances and concerts and contribute considerably to the enjoyment of social intercourse. Glee clubs and dramatic clubs flourish in some firms and efforts are made to develop talent of any kind among employees. A Christmas party for employees and their families with a Christmas tree for the children is a common custom as is the annual picnic outing. Some firms bear the whole expense of such outing, others a considerable portion and some pay in addition the employees' wages for the day or half day. These occasions no doubt roster a friendly spirit among employees and between employees and management.

Many firms make more elaborate provision for recreation in the way of athletic fields with a baseball diamond, sometimes equipped with a grandstand, cricket fields, putting greens, tennis courts, bowling greens, and hockey rinks. In two or three larger firms where keen interest in sports is maintained a sports director on salary from the firm devotes his whole time to managing the athletic activities of the employees. Where recreation centres or club rooms are established, the equipment varies and in some cases is on an elaborate scale including reading rooms, circulating library, lounge, gymnasium or assembly hall with polished dance floor, billiard tables, bowling alleys and shower baths. One firm having a club house with many of the above features has also organized sewing classes which are largely



Spacious and Cosy—Recreation and Reading Room

attended by the women folk of employees ranging in ages from 4 to 60 years, in addition to classes in carpentry for boys for which a well-equipped work shop is provided. In several instances firms have supervised holiday camps for employees at reasonable rates, and one has a club house where a comfortable mode of living is made possible for its female employees at a rate below cost.

In communities where facilities for athletics, recreation and social activities are already provided by institutions set up for that purpose, several managers have expressed their opinion as to the advisability

of utilizing such centres rather than developing independently along similar lines. In support of these views substantial financial and other assistance is given such institutions by some firms, the employees of which are encouraged to make their own arrangements and to become identified in their recreation as members of the community rather than as employees of the firm. Other firms provide recreation for their employees as a body through co-operation with these institutions. Varied opinions have been expressed by other employers as to the need or even the desirability of undertaking any responsibility whatever in connection with the recreational and social life of employees or of encouraging them to develop such within the plant. That many believe there is definite value both to employers and employed in competitive sports and pleasurable intercourse is indicated in the extent to which they have contributed towards schemes for such within the plant. One firm reports that "the sports have been found to be productive of good-will between various departments and are considered well worth while in promoting contentment and morale."

Holidays with Pay

Within the last few years the giving of holidays with pay to production workers and other wage-earners has come to be recognized by an increasing number of firms as a possible and a desirable arrangement. Of these 300 firms over 20 per cent., in which are employed 32 per cent. of the 185,187 workers, allow annual holidays with pay to all workers after a stated length of service, and in the majority of cases the benefit to employees receiving holidays and to the firm in improved production is considered a fair return on the money expended.

A usual holiday plan is to have the length of the holiday vary with length of service, as one week's holiday after one, two or three years' service and two weeks after two or five years of service, and in a few cases the allowance is one week after ten years and two after twenty. Some firms allow one week after five years and two after ten, and the proportion eligible under this scheme for one week varies from 8 to 50 per cent. of the total number of employees. Two large paper companies allow their men one day for each year of service with a maximum of two weeks after ten years' service and one firm grants five days after six months and ten days after one year of service. Still another plan is one week's holiday to female workers after three years' service and to males after four years with an extension to two weeks for both after fifteen years of service. According to this plan 25 per cent. of the employees in one firm are eligible for one week's holiday. One firm has introduced the novel scheme of holidays with pay after five years' service of one week and after ten years' service one week plus a bonus of \$25.00. In another the pay for one week depends on the bonus account; if the accumulation is sufficient one week with pay is granted, if insufficient there is no pay in which case the holiday is usually two or three days only. The most generous provision in this

respect is found to be two weeks with full pay for all factory workers with one year's service or over. One firm employing 300, half of whom are female workers, which makes this holiday allowance affecting nearly all their employees, since their turnover is low, reports that the experiment pays. In one firm where the allowance is one week after one year of service all employees were eligible this year.

In computing the years of service in connection with the holidays with pay, one firm has the satisfactory system of allowing up to six months' time lost for any cause in the five years for which one week is granted and twelve months' time lost for any cause in ten years for which two weeks are granted. Under these conditions employees are eligible for holidays if in the company's employ at holiday time. This is reported as a plan greatly appreciated by the employees and under which the number benefited has increased surprisingly. The cost to the company has been computed as approximately \$13,000.00 per year.

Several firms report no definite plan of holidays with pay but such are granted each year to certain older employees or they are paid for time off during the annual shut-down of one or two weeks. Two or three firms have inaugurated the five-day working week the year round for female help and make no other provision for holidays, while several have the five-day working week for all employees during the three summer months either in addition to or instead of holidays with pay. In connection with the five-day working week of forty hours for its seventy-five female employees, one firm reports that the output has not been diminished since the short week has been adopted and that the rate of pay is about \$2.00 per week higher for the forty-hour week than the minimum wage set for the forty-eight-hour week. There is almost no absenteeism even from sickness, much of the credit for which is said to be due to the free Saturdays, and no girl has left the firm in the last four years except to be married.

Several firms have intimated their intention of adopting some plan of holidays with pay in the near future. Although it is not possible to estimate accurately the advantages, both economic and social, of such a scheme, the general result appears to be a renewed vigour on the part of the workers after the holiday break and more efficient service. Many firms are proud of the proportion of the total number of employees eligible under their holiday scheme and those with service records of ten, twenty and up to forty years. In firms where operations are continuous the year round and not affected by seasonal slackness the matter of holidays with pay becomes more feasible.

In ninety-six firms holidays with pay are granted to foremen, time workers and salaried employees only, while in approximately 40 per cent. of the firms arrangements may be made under special conditions for holidays without pay or holidays without pay are necessitated by the annual shut-down of from a few days to two weeks.

Plant Publications

The plant paper is considered by some firms as a most important factor in improved industrial relations. Through it a point of contact may be established between employees and management to the benefit of all concerned and cordial relations fostered among the various departments. Approximately 14 per cent. of these 300 firms have plant papers published at regular intervals and five additional firms report the paper discontinued as an expense not justified by the results. In the case of branch plants the papers are sometimes published from the head office with several columns or pages reserved for news from each plant.

As part of a firm's safety programme a plant paper may have great scope. Through its columns warnings and instructions may be issued, interest in safety contests maintained and workers impressed at regular intervals of the necessity of working safely at all times. In a similar manner health education may be advanced and information given the workers regarding the company's business which will be instructive and of interest to them. Propaganda, however, does not usually occupy the major portion of a plant magazine, which is reserved for news items, personals, accounts of athletic and social activities of the plant and reports of the various welfare plans especially of the joint industrial councils where such are established. A proprietary interest is further encouraged by having representatives of the employees on the editorial staff.

Joint Councils and Shop Committees

One of the most important manifestations of the desire for co-operation between management and workers is the establishment of joint industrial councils or shop committees in various large firms in the Province. These councils and committees may be valuable media for the interchange of ideas on matters of mutual interest, fostering the spirit of partnership in business with a clearer understanding of the problems of the management and the difficulties of the employees. It is stated in the Whitley Report issued by a committee formed for the purpose of seeking a solution of some of the industrial problems in England: "We are convinced that a permanent improvement in the relations between employers and employed must be founded upon something more than a cash basis. What is wanted is that work people should have a greater opportunity of participating in the discussions about and adjustments of those parts of industry by which they are most affected."

This opportunity has been afforded by 21 per cent. of these 300 firms employing approximately 48 per cent. of the workers, about one-fifth of which have well-organized works councils. In addition to these firms many have active safety committees working in conjunction with foremen and superintendents for the prevention of accidents throughout the plant. The allocation of certain responsibilities and

the giving of some voice in the arrangement of working conditions in the plant have proved beneficial to both sides. While the aims of the joint councils are practically identical, probably no two are exactly alike as to constitution. This would seem to be a promising feature since it is of the utmost importance that the details be worked out with reference to the special needs of the situation, preferably in consultation with representatives of the employees, rather than that any plan, no matter how successful it may have proved in another organization, be adopted wholesale and imposed upon the employees without their advice and, indeed, their consent.

Broadly speaking, joint councils are composed of a certain number of employee representatives elected to membership by the workers and an equal number of representatives of the management appointed by the management and with equal voting powers. The basis of elected membership usually varies with the total number of employees, perhaps one for every twenty-five, fifty, a hundred or more employees or the representation may be according to groups. Meetings are held at regular intervals, usually monthly, either in the firm's time or after working hours, in which case some companies pay employee members for time occupied in council business. Matters concerning working conditions, wages, hours, safety, recreation, education, general welfare and such questions of mutual interest receive consideration at these meetings, and an opportunity is afforded for the presenting of complaints, requests or suggestions, with a fair discussion of such. Provision is made for the carrying out of recommendations of the council and for procedure in case of tie vote on any question.

Usually the employee representatives are elected by secret ballot and to be eligible for nomination must have had a stated length of continuous service, six months to two years, be over twenty-one years of age, in some cases must be British subjects, and not employed in the capacity of foreman or an official with the power of hiring or discharging help. In most plants where a considerable number of women are employed, they are given representation on the council with probably a lower age requirement. No discrimination is made against members because of membership in any labour union or lawful organization.

In some joint councils the chairman and secretary are both appointed by the management, or they may be chosen by the council or one by each. Minutes are kept of all meetings and in some manner are made available to all employees, either by distribution among them, through the medium of bulletin boards or the plant paper or are kept on file in the secretary's office. It is important that the employees should be kept informed on all the council's business in order that they may give intelligent support to their representatives and be prepared to accept any decisions of the council.

The establishment of a joint council in a plant is not the one thing needful to bring about an ideal state within that plant but wisely planned and operated, especially if in conjunction with other schemes for increasing the general well-being of employees on the one hand and the volume of production on the other, it is reported as a most important factor in securing a sound working basis between employer and employee. It may have dual value as a preventive as well as a remedial measure.

The success of a joint council depends largely upon the confident and loyal support of the employees, to be gained only by a frank and honest endeavour on the part of the management. The constitution and by-laws need not be intricate nor the method of procedure. The organization is important only as providing a means of consultation over and participation in matters of mutual interest and of convincing management and men alike that co-operation between them is essential in order that business may be carried on to the advantage of both. The increased sense of responsibility of workers arising out of a vital interest and adequate voice in decisions which affect them will result in increased production and decreased production costs. The delegating of responsibility to workers need not and should not interfere with the management's responsibility for the success of the business. That adequate voice has been defined as the "greatest degree of power it is possible to grant, consistent with the continuing success of the business."

Shop committees are usually composed of representatives elected by the employees with a chairman appointed by the committee from among its members. Meetings are held at regular intervals or may be called as need arises, and the manager or his deputy may or may not be present at these meetings. Consideration is given to complaints, suggestions for improvements in methods, matters of safety, health, recreation, cafeteria, adjustments in wages and hours and the recommendations of the committee are placed before the management with a request for action. In many cases sub-committees are appointed to deal with various matters or the shop committee may be primarily a safety committee.

In some firms shop committees are composed of department heads, foremen and assistant foremen and the plan of a monthly dinner meeting with members of the management held in the plant cafeteria has proved most beneficial in many cases. Where employees are largely members of labour organizations the committees usually have trade-union officials.

FINANCIAL WELFARE

It is found that eighty-eight firms make no report on any schemes for the financial advancement of employees. Some employers state frankly that their policy is to pay a rate of wages at least as high as rates prevailing in similar works in the district and to stabilize employment as far as possible. Working under these conditions they feel no further economic responsibility towards their employees, who should be in a position to manage their own affairs in so far as making provision for themselves and their dependants is concerned and that any further financial arrangement with them is unnecessary and undesirable as being too much of a paternal nature. As a contrast to this policy may be cited that of one firm which has established a very complete system of financial aid through the provision of sickness and group insurance, pensions, all three on an adequate scale, and a co-operative trust fund which enables employees to invest in the company's stock on advantageous terms. In the case of the majority of the eighty-eight firms not reporting on these items it is evident, however, that such schemes have not been established because no definite need of them has presented itself rather than that the principle involved is opposed to the general policy of the firms. In speaking of the economic consideration of a comprehensive plan established in one company the president has stated: "This plan is surely a policy of business administration to promote continuity of effort and permanence of employment, to the end that replacement charges, one of the most serious menaces to the prosperity of capital and labour alike, are reduced to a minimum."

Insurance—Sickness and Disability

The importance of sickness insurance for industrial workers is evidenced in the fact that the subject formed item one on the agenda of the tenth session of the International Labour Conference at Geneva. The principle of compulsory insurance of workers against sickness has been embodied to some extent in the legislation of several countries but in the Canadian provinces, governmental action in the matter of insurance refers only to compensation for industrial accidents and certain industrial diseases, which is not included in this survey, since the great majority of the firms covered by this inquiry come under the jurisdiction of the Workmen's Compensation Act of Ontario. Many individual firms, however, have sought to meet the needs of the situation to a greater or less extent by organizing within the plant or encouraging the organization by the workers themselves of employees' benefit associations to which the firms make regular and considerable contributions. While the returns to employers for such contributions are rather intangible, it is generally conceded that more efficient work resulting in increased production is to be secured from workers who are not harrassed with fear of the future. To be faced

with a cessation of pay as well as the extra expense incurred during periods of illness is a matter of great anxiety to workers whose savings are of necessity limited.

Twenty-six per cent. of these firms, covering almost one-half of the employees, have some form of insurance other than group. Approximately two-fifths of this number have sickness insurance in addition to group insurance and in the remainder of the cases insurance in case of sickness and accidents, other than industrial, is the only benefit accruing to employees in emergencies of this nature. Several firms report that various schemes for employees' benefit associations are being considered in the hope of having one established shortly which will be adequate for the needs of the employees, while others report a revision of the present plan in order to provide sufficient funds for benefits on a more satisfactory scale. On the other hand, two cases are reported in which proposals for a contributory scheme of employees' benefit association have been voted against by the employees and in one or two firms the associations have been discontinued. Generally speaking, however, the trend is decidedly towards the development rather than the curtailment of this form of provision for the welfare of industrial workers.

In most firms having any form of sick benefits, practically all permanent employees are eligible for membership. Some firms, however, have an age limit, a salary limit, a health requirement or limit membership to manual workers only and in rare cases female workers are excluded from participation. Those firms which cover non-manual as well as manual workers, usually do so on a different basis and some associations admit as members employees over a stated age, 45 years, providing for them either the same benefits as for other members but at an increased contribution or the same sick benefits but smaller death benefits at the same rate of contribution. Occasionally a limit of say \$2,000.00 is set as the maximum earnings upon which will be calculated the amount of dues as well as the amount of benefits payable, but those in receipt of higher remuneration may come under the scheme on these terms. Applicants having any chronic ailment may be admitted to many associations by exempting the association from liability for disability due to such ailment. Medical examination is required by many firms before applications for membership will be considered. Membership is usually optional on the part of employees although in some firms it is a necessary condition of employment.

The great majority of schemes of sickness insurance are contributory on the part of the employees and in many cases these contributions alone form the fund from which benefits are paid. Amounts of contribution may be based on earnings, age or may be set at a flat rate for all members or for all members of each class, and amounts vary in different firms from five to twenty-five cents a week, and in rare cases where life and sickness insurance come under the one plan

the levy is as high as one dollar per week. Sometimes an initial fee of perhaps one dollar is charged. When members of an association are divided into classes the basis of classification is amount of earnings, age or length of service, and sometimes female employees are assessed at a rate equal to one-half that of the men and their benefits are proportionate. Provision is often made for carrying members during a lay-off of a period varying from one month to one year and dues are not required from members during disability. In a few instances the balance to the credit of a benefit association is not carried over from year to year but at the end of each year is refunded to contributing members on a pro rata basis.

There is great variation in the extent to which employing firms assume responsibility for the success of benefit associations. Many firms contribute annually a sum equal to the total amount or a certain proportion of the total amount collected from employees, others contribute a sum sufficient to bring the fund up to a stated amount after the benefits for the year have been paid, while others hold themselves responsible for any deficit that may occur or for expenses of administration only. Some associations are operated entirely by employees without any support, material or moral, from the firm. On the other hand, some firms provide sickness, disability and death benefits without any expense to employees.

Since the Workmen's Compensation Act of Ontario provides compensation for industrial accidents and certain industrial diseases, disability arising from such is not covered by the majority of benefit associations, although in rare cases such disability is included and sometimes at a lower rate of benefit. Disability and death due to sickness and non-occupational accidents are covered but disability and death due in any way to intoxicants, misconduct or fighting are excepted and in many cases also when due to chronic ailments of long standing. Membership in an association for a stated length of time, from one to six months, is usually required before claims may be made, but in some cases this limit refers to death benefits only. As a rule no benefits are paid for the first few days of disability, from three to seven days. The length of time during which disability benefits will be paid varies in different firms from twelve to twenty-six weeks in any year and in a few cases in which the employees do not contribute towards the sickness insurance scheme, payments may be made to an employee during a total of fifty-two or one hundred and four weeks of disability for his whole period of service, after which time he may be eligible for death benefits only. In another such firm the length of time and amount of benefit increases with the years of service.

Uniform benefits are paid as a rule by those associations which have uniform assessment of members but perhaps a more satisfactory system and one which is in general use is that of having benefits and assessments, if any, vary with the earnings of the insured, and in some cases a maximum income upon which such may be calculated is fixed.

Benefits are found to be adequate in many cases to make fair provision for time loss through sickness or accident but benefits paid at a flat rate are often insufficient and it is evident that many rates have not been changed in years to correspond to the cost of living. Death benefits varying from \$100.00 to \$500.00 are payable and in some instances where life and sickness are included in the one insurance plan, death benefits range from \$500.00 to \$3,000.00 or an amount equal to one year's earnings. A few associations pay one-half the usual death benefit to a member at the death of one of his direct dependants. Provision is usually made for pensioned members, either full benefits with the continued payment of fees or death claims and doctor's services only with no payment of fees and in some cases the privilege of death benefit membership is extended to employees leaving a firm after a stated length of service. Generally speaking, however, all claims cease with the termination of employment and rarely is any refund made to retiring members who may have contributed to the fund an amount in excess of all benefits paid them.

One scheme, towards which employees make no contribution, has a schedule for the payment of sick benefits to wage-earners according to the length of service, ranging from half pay for six weeks' disability after one year's service to half pay for fifty-two weeks after ten years' service or over. The amount of death benefits for employees with less than five years' service increases from \$500.00 according to length of service and the amount of earnings; those with over five years' service are entitled to benefits equal to one year's earnings with a maximum of \$3,000.00, and employees with ten years' service or over are entitled to one year's earnings with no maximum. According to the non-contributory scheme of a public utility company employees are eligible for sickness benefits only after two years' service. Amounts vary according to earnings and length of service commencing with four weeks' full pay and nine weeks' half pay. The weeks for full pay increase by one and the weeks of half pay increase by four with each additional year of service up to nine years of service and for ten years and more the rate is full pay for thirteen weeks and half pay for thirty-nine weeks. Death benefits are payable to wholly dependent relatives only, and after ten years' service equal one year's earnings, after five years' service equal six months' earnings with a maximum in both cases of \$2,000.00. In case of death resulting from injuries arising out of employment by the company benefits equal three years' pay with maximum of \$5,000.00 and burial expenses, not to exceed \$150.00.

An important feature of sickness insurance is the provision of medical care since the complete cure in as short a time as possible is the chief aim of such insurance. By this provision the health of workers is safeguarded while on duty and when sick the loss to themselves and to their employers is reduced as the undue prolongation of sickness is prevented by adequate treatment. Medical care is a part of many schemes of sickness insurance, although in some instances it

is provided for accidents only, not sickness, and in some cases medicines, drugs and the services of a visiting nurse, either the plant nurse or the nurse provided by at least one of the insurance companies in connection with group or other insurance policies. A visiting committee often serves in the interest of both sick members and the association.

Insurance—Group

Judging by numbers, the form of financial welfare most popular with industrial firms is that of group insurance. Approximately 35 per cent. of the firms covering 28 per cent. of the 185,187 workers have installed some system of group insurance, and the opinion generally held is that considerable benefits have accrued therefrom to both employees and employers. It is only since 1919 that group insurance has been written in Canada when insurance companies consented to meet the requirement of the Federal Insurance Act, 1917, which states that "no such life insurance company shall make or permit any distinction or discrimination in favour of individuals between the insured of the same class and equal expectation of life in the amount of premiums charged or in the dividends payable on the policy."

Group insurance is a form of protection employers may provide for their employees on a basis of cost and which employees are not able to provide for themselves at a similar rate. Automatic coverage of all members of a group without the necessity of a medical examination makes it possible for many who would not otherwise be accepted for insurance to obtain the benefits accruing thereby. Provision is usually made for the payment to the insured should he become permanently and totally disabled and for the conversion privilege by which an employee leaving the firm may within a stated time convert the insurance to a regular policy at the ordinary rate for his age and without medical examination.

Somewhat over one-half of the firms having group insurance are found to pay the premiums in full, although there has been an increasing tendency during the past few years for schemes to be contributory, and in a few instances the amount of the premium paid by the firm is deducted in full from the employees' pay envelopes. Many employers adopting the first method claim it to be very satisfactory as the benefits to their employees as well as to themselves are accounted sufficient return on the money thus invested and they are saved the inconvenience of monthly deductions. A few firms, however, have expressed different opinions, feeling that they have been unwise in not having adopted the contributory system, the chief advantage of which is the placing of a share of the responsibility upon the employee and thus tending to develop greater appreciation and co-operation. With the contributory system employees usually pay from 40 to 60 cents per month per \$1,000 insurance.

Usually from three months to three years of continuous service is required before employees are insured. The minimum amount of insurance granted each individual is \$500.00 and many firms with policies covering female employees have a flat rate of \$500.00 regardless of length of service. In some firms male employees only are covered since it is felt that this form of industrial service is not sufficiently appreciated by women workers who have no dependants. In the case of most employees the majority of firms have an initial amount of \$500.00 or \$1,000.00 increasing at the rate of \$100.00 per year up to a maximum of from \$1,000.00 to \$2,000.00 and a few firms have a higher maximum figure, while a flat rate of \$1,000.00 is also a popular scheme. In one firm of nearly 2,000 employees all members of the relief association, for which an annual membership fee of \$6.00 is charged, are covered by group insurance. The premiums are paid in full by the firm, the initial amount being \$1,000.00 and increasing \$500.00 for each five years of additional service up to a maximum of \$2,500.00. The female employees, numbering about 200, are not eligible for membership in the association but are covered free of charge at a flat rate of \$500.00. A number of other firms have somewhat similar systems of group insurance in conjunction with sickness and disability insurance in order to provide complete protection for workers.

It is not possible to estimate exactly the benefits of the various plans, but the consensus of opinion appears to be that group insurance may become an important factor in any scheme for improving industrial relations. This indication of a desire on the part of the management for continuous services from the employees and a recognition of the interdependence between them arouse confidence and a feeling of permanency productive of more effective work. One firm writes: "The value of these plans (insurance, pension, and saving scheme) in our opinion is very great. They tend to create a contented staff, cut down turnover and place us in a position to choose our employees," and another: "The fact of our group insurance policy undoubtedly serves to stabilize employment and men do not so readily sever their connection as by doing so they would forfeit the value of the policy."

Pensions and Annuities

Sixty-one of the 300 firms, employing 56 per cent. of the 185,187 employees, make provision for employees who have grown old in the company's service and several others report that the matter of establishing a pension plan is receiving consideration at the present time. Many of these firms are subsidiary or branch firms of American or Canadian companies covered by the pension scheme of the company. Of the sixty-one firms, forty-nine employing approximately 100,718 workers, have a pension scheme which may be termed more or less regular. Forty-one of these schemes are operated according to definite regulations and in the remaining eight disbursements under the pension system are according to the judgment of the trustees of the fund or at

the discretion of the management of the firm, in which case incapacity or need is sometimes a necessary condition for beneficiaries. Twelve firms which make up the total of sixty-one take care of old employees by retaining them on the payroll as long as they are able to do work of any kind about the plant and by granting retiring allowances, in which event each case is dealt with on its own merits.

The majority of firms with regular pension funds have the non-contributory system, the pensions being granted as voluntary rewards for long and faithful service and as an incentive to such service. In a few instances pension plans do not refer to production workers but to administrative, selling and supervisory staff only, while in one firm employees reaching the retiring age are not eligible for pensions if their annual earnings in the last five years have averaged more than \$3,000.00 per annum and in another employees earning in excess of \$300.00 per month are not eligible.

Under ordinary circumstances from twenty to twenty-five years' continuous service is required before employees are eligible for pensions and many firms make provision for pension in case of incapacity for further duty after a shorter term, ten to fifteen years. Certain allowances are made for absence due to illness, injury, leave-of-absence or temporary lay-off on account of reduction of force without interrupting the continuity of service. The retiring age is usually 65 years for men and 55 for women and the limit may sometimes be lowered by five years at the discretion of the pension board or if the length of service has exceeded the required term by five years.

The amount of superannuation is usually calculated on a certain per cent., one to two, of the average earnings for the last five or ten years of employment for each year of service with a stated minimum and maximum amount. The following may be quoted as a generous provision on this basis and one to which employees make no contribution: "For each year of active service an allowance of two per cent. of the average annual pay during the five years next preceding retirement; but no regular allowance shall be less than \$300.00 per annum or more than 75 per cent. of such average annual pay." The minimum does not always apply to disability pensions granted to employees of less than the required maximum number of years' service. Another non-contributory scheme provides for the pensioning of employees after twenty-five years of service regardless of age, the amount of pension being equal approximately to two-thirds of wages.

The retirement schedule of one firm does not take average earnings into consideration but the amount increases with the number of years of service, being \$25.00 per month after twenty years, \$40.00 after twenty-five years, and \$60.00 after thirty years. In the case of women employees the maximum pension is \$40.00 per month at the end of twenty-five years' service. Pensions of \$10.00 per month may be paid for ten years or less of service at the age of 65 for men and 55 for women.

In case of the death of the pensioner, some firms make provision for the continuance of the pension to the widow or for the benefit of minor children or "the board may in its discretion authorize the pension to be continued in whole or in part to the widow." In individual cases firms provide for payment of one-half the pension at the death of a pensioner to his widow, or a lump sum payment of \$500.00 to the dependants of the deceased pensioner. Some firms provide that in case of the death of an employee after the length of service required in connection with disability pension, either a full pension or a pension equal to one-half the disability pension may be paid his widow or dependent children under 18 or 15 years of age. Pensioners are usually permitted to engage in other work with the consent of the pension board and the provision is made for the re-employment of disability pensioners if desirable without injuring their chances for future pensions. Firms make provision that pensions shall not be assignable and that they may be cancelled for misconduct.

As a sample of the contributory system one plan may be quoted: employees contribute from three to seven per cent. of their earnings, the firm contributing approximately the same amount. Two separate funds are thus created which are administered by an insurance company. At the retiring age of 60 or 65 years a pension of one per cent. of income for each year of service is payable. In the case of termination of employment with the firm before reaching retirement age the total amount of the employee's contribution with interest at three per cent. per annum is returned to him or his beneficiaries, so that in no event is he the loser through participation in the scheme.

In three firms the plans for the granting of pensions include accident disability benefits, sickness disability benefits, and death benefits. Two of these firms receive no contribution from employees but in one case the employees participating in the plan contribute annually to the benefit fund an amount equal to \$10.00 per \$1,000.00 of their aggregate annual wages, the firm contributing double that amount. The amount contributed by the employees is applied to the payment of disability benefits only and no part of it is applied to the payment of pensions or death benefits, but deficits accruing in the fund contributed by the employees for payment of disability benefits is paid from the amount contributed by the company.

The pension and benefit plan of a public utility company has been established with the purpose of assisting employees by affording them protection in case of illness, accident or infirmity as well as giving the company the benefits that accrue from continuity of service. In connection with the pension plan no contributions are made by employees, the total cost being borne by the company. The rate of pension is one per cent. of the average annual earnings during the last ten years of employment for each year of service, with a minimum of \$30.00 per month. The retirement age is 60, after twenty years' service, and employees of 55 with twenty-five years' service or less

than 55 with thirty years' service may be retired at the discretion of the committee. For female employees the age requirement is in every case five years lower than that quoted above and provision is made for total disability after fifteen years or more of service.

In one firm employees who retire at the age of 60 after twenty years' service or who are retired by the firm on account of advanced age or disability are allowed an amount equal to the maximum sick allowance which is three-quarters of the weekly wage for twenty-six weeks with a maximum weekly payment of \$18.00 and certain deductions are made for payments to them on account of illness during the last year. This amount is supplemented by a sum equivalent to one week's pay for every completed year of service and for fractions of a year, one day's pay for every two months of service for all employees retired under this plan who have been five years or over in the company's employ. The maximum weekly wage on which such payment is based must not exceed \$50.00.

Bonus and Profit Sharing

Approximately one-quarter of the 300 firms report having a bonus system of some kind. In many cases this is a simple attendance bonus of a stated amount or a certain percentage of wages per week for all employees, or for all female employees having perfect time cards. This has been found to be a satisfactory method of dealing with the problem of unpunctuality and irregularity of attendance and in a few instances where punctuality is rewarded a fine is imposed for lateness.

The annual bonus is a popular means of rewarding length of service and is sometimes based upon the company's profits for the year, thus becoming a profit-sharing scheme as well. A good example of this method is to be found in one firm where one-half of the company's profit is set aside for the payment of bonuses to employees based largely on length of service but partly on wage earnings in order not to exclude new employees entirely. Another firm, after paying six per cent. on common and preferred stock, sets aside a certain amount from which employees of three years' service are paid approximately $3\frac{1}{2}$ per cent. of the year's wages and this percentage increases with the length of service up to about five per cent. Under other plans \$5.00 per month for every ten years' service is paid as a bonus or an amount equal to two weeks' pay after six months' service or employees of from one to four years of continuous service are paid five per cent. of their total earnings for the preceding year and those with five or more years of service are paid 10 per cent. of earnings. Still another plan is a service wage paid each week, the rate being one per cent. after three months' service, five per cent. after one year's service, 10 per cent. after five years, and 12 per cent. after twenty years. Certain allowances are usually made for absences due to sickness or suspension of operations without interrupting the continuity of service.

In several instances bonuses consisting of company stock are granted to employees who have contributed to an unusual degree to the success of the company by their invention, ability, efficiency and loyalty.

In one firm a bonus is paid in the form of a wage dividend based on a percentage of earnings during the last period of continuous employment within the five years immediately preceding the date on which it is paid and on dividends declared during the year on shares of the common stock of the company. The rate of the wage dividend is \$5.00 for every \$1,000.00 of earnings during the five years' period for each dollar of dividends declared on shares of common stock over and above \$1.00 per share. On earnings of \$2,000.00 per year for the five years, if the common stock dividends for the year are \$5.00 per share, the wage dividend would amount to \$200.00. This wage dividend is paid by the firm July 1st of each year and is a fair substitute for pay for the holidays which may be taken by employees on arrangements with the firm. All employees who have been with the firm since the preceding October 1st are eligible for participation in this scheme and certain allowances are made for breaks in continuity of service due to slack work and illness. The plan is intended as a recognition of the value to the company of trained steady workers and a reward for continuous service quite apart from the matter of wages.

A plan of profit-sharing dividends for employees through stock ownership in one firm in Ontario, a subsidiary of an American company, may be outlined in brief. After six months' service an employee who is in receipt of earnings from the firm not exceeding \$2,000.00 per year may have purchased for his account at market value the nearest number of full shares of the common stock of the company of which the total cost to him equals or exceeds the amount of his annual earnings. Arrangements are made for payment of stock over a certain period. Profit-sharing dividends are paid by the company quarterly at the rate of 10 per cent. for the first year of participation and increasing one per cent. each year until 20 per cent. is paid for the eleventh and all succeeding years. It may be noted that after five years of participation an income of \$300.00 may be had on a salary or wage of \$2,000.00 per year.

Savings Plans

Many firms have established some form of thrift plans in order to encourage systematic saving among employees. A simple method is sometimes employed of deducting a stated sum from the pay of each employee so desiring and depositing it to his account in a chartered bank. When sufficient funds have been thus accumulated arrangements may be made with the firms for their investment in government bonds or other securities without extra charge. According to another method such deductions from pay are in the nature of a loan to the firm on which interest up to seven per cent. is allowed and usually

some limit, either a stated sum or a certain percentage of annual earnings, is placed on the amount which may be deposited by employees. In some firms such a scheme is employed in connection with holiday savings or Christmas savings only and the amounts do not accumulate from year to year.

One firm accepts as loans from its employees sums varying from \$5.00 to \$1,000.00. After the first deposit of at least \$5.00 further deposits of \$1.00 or more may be made from time to time and interest at the rate of six per cent. per annum compounded monthly is allowed by the firm. Provision is made for the repayment of the loans and for the investment in any securities by the firm at the request of employees whose loans equal at least \$100.00. Another firm which places a limit of \$300.00 on the amount which may be deposited by each employee undertakes to double the money in five years. Such thrift schemes are often operated in conjunction with plans for the purchase of company's stock by employees.

Sale of Stock to Employees

As a result of the various victory bond campaigns industrial workers have learned of greater possibilities of saving and of the advantage of having safe investments for these savings. Many workers who were persuaded with difficulty to invest in their first bond ended by owning six, eight or ten of them and the effect of such experience has been to prepare the way for a ready response from workers to offers of sale of company's stock to employees in the company.

The sale of company's stock to employees has not yet become a common practice in Ontario and on the subject varied opinions have been elicited. However, 15 per cent. of the 300 firms, covering 18 per cent. of the 185,187 employees, have instituted plans with considerable success. In all cases it is a purely voluntary matter on the part of the employees, no pressure being brought to bear on them. Such a plan has formed part of a general effort of many firms to establish and maintain a spirit of loyalty and co-operation among its employees, upon which depends very largely the success of their business. It is essential, however, that companies be so placed financially that dividends are practically assured to stockholders. For this reason cumulative preferred stock is sold frequently to employees.

The purchase of company's stock is facilitated by the favourable conditions under which the transaction is made. Deductions from the payroll are arranged and time payments covering a year or more. According to this plan the subscribing employee may become the owner of the stock after his initial payment and be entitled to all dividends thereon, the firm charging on unpaid balances interest at a rate lower than the dividend rate or all dividends may be credited to his account to meet the interest charges and effect a reduction in

the amount of the final payment on the stock so purchased. In addition to time payments a price below market value is frequently offered, in some cases a special discount as well as a bonus in the form of a stated amount for every paid-up share for a period of five years or a certain per cent. of the amount of dividends credited to the subscribing employee until the purchase has been completed. As an example of this method the plan of one firm, in which over 50 per cent. of the employees are stock owners, may be quoted. Stock is offered at a price considerably below market value. Employees may purchase three shares of common and one of preferred, the number increasing with length of service and the firm pays a bonus of \$2.50 for each share paid for in full. By the time four shares have been paid up the employee has accumulated sufficient funds from the firm's bonus and dividends from stock to purchase another share with the addition of approximately \$4.00. Under a somewhat similar scheme it has been estimated that employees are paid 11 to 12 per cent. on their investments.

Some limit is usually placed upon the amount which may be invested by an employee in the company's stock, expressed in terms of his yearly earnings, varying from ten to fifty per cent. or increasing with length of service. A stated length of service is required by most, though not all, firms before an employee may subscribe; in some cases senior employees only are eligible and in a few instances stock is sold to heads of departments and foremen only. Some firms are in the habit of making a gift of stock to certain employees as a reward for long and faithful service or as an extra bonus for special services rendered the firm.

"To strengthen the community of interest between the company and its employees, encourage systematic saving and assist employees to become partners in the business through stock ownership," the following plan has been established by a firm. An employee may subscribe \$100 or any multiple thereof up to the amount of his annual earnings with a maximum of \$3,000.00. Provision is made for time payments through deductions from earnings and within certain limits the firm pays to the credit of each subscribing employee one per cent. of his earnings for the previous year as well as interest at the rate of five per cent. on all his payments and credits on the investment certificate. Shares of the company's seven per cent. cumulative preferred stock are purchased at a price below market value and in addition to regular dividends the company pays \$2.00 per year for five years on each share of stock thus purchased and held by those in the employ of the company. Provision is made for temporary discontinuance of employment without depriving employee of benefits of plan and for cancellation of subscription by employee. This plan slightly modified has been introduced in several other firms.

One large well-established firm with several thousand employees throughout Canada has an interesting plan whereby employees are

enabled to purchase the company's stock. A co-operative investment trust was formed for a period of five years in which any employee of at least one year's service could participate by depositing regularly an amount not to exceed twenty-five per cent. of his annual earnings from the company. To this fund the company contributed a sum equal to fifty per cent. of the employee's deposits and stock was purchased below market value for the employee. Such appreciation of the terms of this trust was evidenced by the large proportion of employees who took advantage of its provisions that a second trust fund was inaugurated for three years and to which employees might subscribe up to ten per cent. of their earnings. Employees who subscribed to the first co-operative investment trust and had not disposed of more than one-third of their stock could subscribe to the second trust. Over 70 per cent. of the employees of the company are now employee-depositors among whom 96,000 shares are being distributed under the second scheme. The third trust is now in operation. The funds are administered by a board of trustees selected by the board of directors of the company, three of whom may be officers or directors and two employee-depositors.

With the purpose of fostering an active and intelligent interest in the affairs of the firm, a plan of stock distribution has been instituted whereby employees after two years' service and if in the employ of the firm at a specified date may apply for an amount of common stock of the company at \$10.00 per share, equal to two per cent. of their earnings during the two years. If not employed on the date specified the amount is limited to one per cent. No cash payment is required of applicants for stock as the dividends declared are credited to the applicant's account until the purchase price with interest is paid in full, after which time dividends are paid direct to the applicant. Stock certificates become the absolute property of applicant at the end of five years if he has been in the continuous employ of the firm during that time and if the original purchase price with interest has been fully paid. Certain allowances are made for breaks in the continuity of service due to slackness or illness.

Other Plans

In addition to the foregoing schemes of industrial welfare other factors in scientific management are reported. Perhaps the one of prime importance is the employment department which brings keen judgment and common sense to bear in the matter of the selection, transfer, promotion and dismissal of workers, investigates complaints from foremen of unsatisfactory work, endeavours to arrive at the true reason for workers quitting their jobs and to remove the causes in order to cut down labour turnover in the plant. Many firms have separate employment departments for male and female workers and in some cases each foreman must approve of all workers employed for his department, then he is held responsible for their work and

conduct. In connection with employment one firm writes: "We make a close study of prevailing wages in our own industry and in industry generally in our vicinity. As a result, we establish the original hiring-rate for inexperienced help and establish rates for given jobs having in mind the various elements which enter into the job itself. Our hiring is done with a view to securing a man who will feel that the rate he is getting is fair and right and we try to avoid hiring too good a man for a job just as much as we try to avoid hiring too poor a man for a job. We know that to hire too good a man for a job will bring about a very heavy and unnecessary cost when industry rights itself and jobs are scarcer than men."

In some larger firms an education, welfare, personnel, industrial relations, co-operative or employees' service department is maintained in addition to the employment department or the functions of both are often combined in the employment division. Through the personal relationship established with employees by means of such departments it is possible for firms to offer them assistance and encouragement. Loans are often arranged for the buying of houses for the employees' own use. One large firm, seventy-five per cent. of the employees of which own their homes, builds houses throughout the town for which employees so desiring may pay in the shape of rent. After a stated proportion of the total cost is paid the firm makes certain allowances which effect a reduction of approximately twenty per cent. in the price. The custom of having company-owned houses let to employees at nominal rentals with light and water supplied still prevails in some quarters but is rather on the decline except in so-called company towns. Legal advice when necessary is another form of assistance rendered to employees by many firms.

Of great importance is the definite effort being made by many firms to stabilize employment through the planning of output months in advance. One firm, in accordance with the plans of the head office, guarantees forty-eight weeks' employment per year to all permanent employees, the effect of which has been a reduction in labour turnover. The suggestion system is in vogue in many firms which offer cash awards for suggestions for improved methods of production or if the suggestion is of commercial value the originator is given a share in the profits. Exceptions are sometimes made in the case of suggestions for safety devices, for which no awards are made as it is considered the duty of employees to do all in their power to prevent accidents. Service clubs are organized in many firms to which employees are eligible for membership after a certain length of service, varying from five to fifteen years usually, and badges of honour are presented to members by the firm. Service club members are practically never laid off during slack periods and enjoy certain privileges such as special social functions arranged for them or annual holidays with pay.

In connection with any industrial relationship plans, employee service activities, welfare schemes or whatever they may be called, it must be borne in mind that established as a supplement for low wages they cannot be expected to accomplish any permanent good and suspicion rather than goodwill is more likely to be the result. The question of wages has not been included in this inquiry but the fact of the absence of serious industrial unrest due to dissatisfaction over wages would indicate that fair rates are generally maintained in the Province.

Hours of Labour

The length of the working day and week has an important bearing on the welfare of employees. From reports of 276 firms, having 167,634 employees, it is found that 122,908 of the employees, or over seventy-three per cent. work a 48-hour week or less; 37,786, or over twenty-two per cent. work from forty-nine to fifty-four hours per week and 6,940, or over four per cent. work fifty-five hours per week or longer. Of the 41,988 female workers in these 276 firms, approximately seventy-five per cent. work a 48-hour week or less; twenty-three per cent. work forty-nine to fifty-four hours per week and less than two per cent. work a 55-hour week or longer.

Appendix

Table showing the 300 firms divided according to industrial groups with the number of employees, male and female, in each group and the proportion of each group to the whole.

INDUSTRIES	FIRMS		EMPLOYEES			
	No.	Per Cent.	Males	Females	Total	Per Cent.
Food products, beverages and tobacco.....	38	13	7,519	2,900	10,419	6
Clothing and textiles.....	63	21	8,038	11,505	19,543	10
Pulp, paper goods and printing..	33	11	10,101	1,546	11,647	6
Drugs and soap.....	8	3	802	436	1,238	1
Paints, oils and varnishes.....	5	2	6,064	506	6,570	3
Rubber.....	9	3	5,630	1,128	6,758	4
Leather.....	7	2	1,040	214	1,254	1
Metals and machinery.....	79	26	25,797	2,072	27,869	15
Clay, glass and cement.....	6	2	1,975	.....	1,975	1
Cars and parts.....	15	5	11,126	282	11,408	6
Furniture, brushes and woodenware.....	18	6	2,806	321	3,127	2
Transportation and public utilities.....	10	3	53,474	10,425	63,899	34
Miscellaneous.....	9	3	8,002	11,478	19,480	10
	300	..	142,374	42,813	185,187	..
	(1)	..	77%	23%	.....	..

(1) One firm is reported as having 6,000 employees, which number includes total number of employees throughout Canada, clerical staff as well as wage-earners.

Table showing the number of firms with the number of employees, male and female, reporting on each of the welfare schemes—

SCHEMES	FIRMS		EMPLOYEES			
	No.	Per Cent.	Males	Females	Totals	Per Cent.
1. Hospital.....	135	45	91,981	23,111	115,092	62
2. Nurse, plant.....	91	30	54,921	20,056	74,977	41
Nurse, visiting.....	44	15	31,244	40,856	72,100	39
Plant doctor.....	77	26	88,013	25,429	113,442	61
3. Cafeteria.....	109	36	67,840	33,976	101,816	55
Recreation.....	123	41	106,979	31,971	138,950	75
4. Holidays with pay.....	158	53	86,052	31,350	117,402	64
Plant publications.....	43	14	55,321	12,647	67,968	37
Joint councils.....	11	4	39,893	10,911	50,804	27
Shop committees.....	54	18	63,047	13,627	76,674	42
Insurance—sickness and disability.....	78	26	73,510	15,144	88,654	48
Insurance—group.....	104	35	37,043	14,226	51,269	28
5. Pensions and annuities.....	61	20	77,921	25,996	103,917	56
Bonuses.....	71	24	45,883	12,185	58,068	31
Profit-sharing.....	16	5	15,944	14,299	30,243	16
Savings plans.....	35	12	27,354	23,315	50,669	27
Sale of stock.....	44	15	23,774	12,188	35,962	18

1. Fifty-nine of these 135 firms intend to indicate first aid equipment only.
2. Eighteen of these ninety-one firms intend to indicate first aid attendants.
3. Twenty of these 109 firms have lunch rooms with free tea and milk.
4. Sixty-two of these 158 firms, employing 59,384 workers or thirty-two per cent. of the total number, give holidays with pay of one or two weeks to production workers, according to length of service—from six months to ten years or longer. Balance give holidays with pay to foremen and salaried only or details of holiday plan not stated. One hundred and twenty-four firms allow holidays without pay or holidays without pay are a necessary part of the annual shut-down of a few days up to two weeks.
5. Twelve of these sixty-one firms have no definite pension plan, but when necessary, make some provision for old employees retiring after long service.

INDUSTRIES	PHYSICAL WELFARE										FINANCIAL WELFARE							
	All firms.	Hospital.	Nurse—plant.	Nurse—visiting.	Doctor.	Cafeteria.	Recreation.	Holidays with pay.	Plant publications.	Joint councils.	Shop committee	Insurance—sickness and disability.	Insurance—group.	Pensions and annuities.	Bonus system	Sharing profits.	Savings plans.	Sale of stock.
Food, beverages and tobacco.....	38	13	9	5	10	20	15	16	4	1	3	10	13	8	11	2	3	5
Clothing and textiles.....	63	29	15	7	8	29	25	11	4	..	11	6	13	9	9	2	4	6
Pulp, paper goods and printing.....	33	13	10	6	8	12	11	15	7	..	12	10	15	3	7	2	3	3
Drugs and soap.....	8	4	2	...	2	4	5	3	2	..	1	2	5	4	2	2	1	1
Paints, oil and varnishes.....	5	3	...	...	2	1	...	1	1	2	1	5	3	2	1	1	1	3
Rubber.....	9	8	7	5	2	4	6	3	..	2	3	2	4	2	..	..	3	..
Leather.....	7	1	...	...	1	1	1	—	..	..	1	1	1	1	3	..	..	1
Metals and machinery.....	79	38	27	12	22	23	32	9	6	4	11	27	31	20	17	2	12	14
Clay, glass and cement.....	6	3	2	...	4	2	3	1	1	..	1	..	4	..	3	..	..	1
Cars and parts.....	15	7	6	...	5	2	5	2	5	..	1	4	7	1	4	1	2	3
Furniture, brushes and woodenware..	18	7	5	3	4	1	8	2	3	..	4	2	3	1	9	1	1	2
Transportation and public utilities...	10	5	4	4	6	6	8	4	8	2	4	6	1	7	2	1	1	2
Miscellaneous.....	9	4	4	2	3	4	4	1	2	..	1	3	4	3	3	2	4	3
Totals.....	300	135	91	44	77	109	123	158	43	11	54	78	104	61	71	16	35	44
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)

(1) Fifty-nine firms indicate first aid equipment. (2) Eighteen firms indicate first aid attendants. (3) Twenty firms have lunch rooms. (4) Sixty-two firms have holiday plan for production workers according to service. Ninety-six firms have holidays with pay for foremen and salaried or details not stated. (5) Twelve of these sixty-one firms have no definite pension plan.



DEPARTMENT OF LABOUR

East Block, Parliament Buildings, Toronto

THE HONOURABLE DR. FORBES GODFREY,

Minister of Health and Labour

JAMES H. H. BALLANTYNE,

Deputy Minister of Labour

The Department of Labour of Ontario administers the following Acts:

Department of Labour Act: This Act provides for the establishment of free public employment offices. Twenty-five public employment offices are maintained in Ontario which are the provincial unit of the Employment Service of Canada. Information, including wages, hours and working conditions is obtained concerning employment vacancies in agricultural, commercial, domestic and industrial establishments. Applicants for employment are registered and directed to positions or jobs without charge or loss of time and with the minimum of travelling expense. This Department collects and classifies statistics bearing upon the ramifications and complex nature of employment and undertakes the collection and transmission of information pertaining to the interests of the industrial class.

Stationary and Hoisting Engineers' Act: This Act is administered by a Board of three members who have jurisdiction over engineers in the Province who operate stationary, hoisting and portable power plants. The Board conducts examinations for such engineers and issues four grades of certificates. These certificates are renewable annually and approximately 16,000 are issued each year. Facilities are provided throughout the Province for conducting examinations of engineers and about 2,000 examinations take place yearly. Stationary steam plants are required to be registered by the Board.

Building Trades Protection Act: This Act provides for the appointment in municipalities of inspectors of building operations who are entrusted with the enforcing of the regulations for the protection of persons employed on buildings.

Factory, Shop and Office Building Act: This Act is administered by a staff of twenty-one inspectors, who cover the entire Province and deal with matters pertaining to the general conditions of work and the welfare of approximately 300,000 persons engaged in industrial and commercial occupations. The inspectors co-operate in the administration of The Adolescent School Attendance Act and The Minimum Wage Act.

Steam Boiler Act: The construction and inspection of steam boilers, tanks and other pressure vessels manufactured in or imported into Ontario and the inspection of second-hand boilers, bought, sold or exchanged are regulated by a staff of nine inspectors. Complete details and dimensions of the material to be used and the intended working pressure of steam boilers and other pressure vessels have to be given before a boiler design is approved and registered, or obtained before an inspection certificate is issued.

Employment Agencies Act: This Act requires that all private employment agencies operating in the Province which charge fees be licensed and provides for regulations relating to such agencies.

Apprenticeship Act: This Act applies in respect of apprenticeship in certain designated trades and provision is made for additions to the list of such trades and for contracts of apprenticeship in accordance with stated requirements. The Act is administered by an Inspector of Apprenticeship.

Regulations Respecting the Protection of Persons Working in Compressed Air: These Regulations govern such matters as the maximum number of hours of each of the two shifts and the minimum open air interval required between shifts for the various air pressures up to fifty pounds, the schedule time of decompression after work in compressed air of various pressures, general working conditions and the provision of medical attendance when necessary. The Inspector of Caisson Work is granted the right of access to any place where men are employed in compressed air.

The Minimum Wage Act and The Mothers' Allowances Act are administered by commissions attached to the Ministry of Labour. The Minimum Wage Board sets a minimum standard of wages for female workers in diversified industries and the Mothers' Allowances Commission controls the granting of pensions to widows and others with two or more children or other dependants.

DEPARTMENT OF LABOUR

MAIN OFFICE:

Marion Findlay, B.A., Senior Investigator.
F. A. Swarbrick, Inspector of Caisson Work.
William Burns, Safety Engineer.

THE EMPLOYMENT OFFICES:

H. C. Hudson, B.A., General Superintendent.

THE STATIONARY AND HOISTING ENGINEERS' BOARD:

J. M. Brown, Chairman.

THE FACTORY INSPECTION BRANCH:

James T. Burke, Chief Inspector.

THE STEAM BOILER BRANCH:

D. M. Medcalf, Chief Inspector.

THE APPRENTICESHIP BRANCH:

A. W. Crawford, B.A.Sc., Inspector.

THE MINIMUM WAGE BOARD:

Dr. J. W. MacMillan, Chairman.

THE MOTHERS' ALLOWANCES COMMISSION:

Honourable Dr. David Jamieson, Chairman.

